

February 7, 1986

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TO: File

FROM: Pamela Grubaugh-Littig, Reclamation Engineer *pgl*

RE: Meeting Discussing Surety Arrangements between the Division and the Nuclear Regulatory Commission, Atlas Mill, ACT/019/003; Rio Algom Mill, ACT/037/001; Shootaring Canyon Facility, ACT/017/016; White Mesa Mill, ACT/037/045

A meeting to discuss reclamation sureties for four uranium mills and mill tailings was held on February 6, 1986 at the Bureau of Radiation Control (BRC) office. In attendance were: Harry Pettengill, Nuclear Regulatory Commission (NRC), George Pangburn, NRC, Larry Anderson, BRC, Dane Finefrock, BRC, and Pamela Grubaugh-Littig, Division of Oil, Gas and Mining (DOGM).

Mr. Pettengill explained the need for a Memorandum of Understanding (MOU) between the DOGM and NRC for reclamation sureties. It would be very helpful because if an operator forfeits a surety, the funds must go to the U. S. Treasury and then be appropriated by Congress. The state mechanism is not as complex. I told them that I would draft a MOU for DOGM administration review and NRC review.

Mr. Pettengill also enumerated the situation at each of the four mill sites:

Atlas Mill - they will be receiving a license on an "interim-stand-by" basis. They received a letter stating they must post an acceptable surety (the contract with DOGM will not be acceptable to the NRC) within 60 days or they may be subject to civil penalty.

Rio Algom - their license will be renewed. A revised reclamation bond will be required. The NRC would prefer that the MOU be in effect so that Rio Algom may post the surety with the state.

White Mesa Mill - this operator posted a corporate guarantee in November 1984 that meets the NRC criteria and is acceptable.

Shootaring Canyon Facility - the mill facility reclamation surety will be updated in April 1986.

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The NRC personnel invited DOGM personnel to accompany them on inspections of the uranium facilities. The first inspection will be at Rio Algom during the last week of February.

The criteria for self-guarantee is similar to the Office of Surface Mining financial criteria for self-bonding. One major difference is: the licensee may not self guarantee although a parent guarantor is acceptable.

btb
cc: Ken May
Lowell Braxton
John Whitehead
9075R-31 & 32